

HOUSE BILL No. 1614

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31-9-8; IC 6-1.1; IC 8-1.5-4-14; IC 16-31-5-1; IC 36.

Synopsis: Elimination of property taxes for public safety. Eliminates the authority to levy property taxes for public safety services beginning in 2006. Authorizes local governments to impose user fees for public safety services on the owners of property.

Effective: July 1, 2005; January 1, 2006.

Buck

January 19, 2005, read first time and referred to Committee on Public Safety and Homeland Security.

C
o
p
y



First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1614

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-31-9-8 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2006]: Sec. 8. No tax or fee, except as
3 provided in this article, shall be assessed or collected from a permit
4 holder by a political subdivision having the power to assess or collect
5 a tax or fee. This section does not apply to:

6 **(1) rates or charges imposed under IC 36-8.5; or**

7 **(2) real or personal property taxes imposed by a local taxing unit.**

8 SECTION 2. IC 6-1.1-17-16.7 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 16.7. (a) A
10 political subdivision that in any year adopts a proposal to establish a
11 cumulative fund or sinking fund under any of the following provisions
12 must submit the proposal to the department of local government
13 finance before August 2 of that year:

14 IC 3-11-6
15 IC 8-10-5
16 IC 8-16-3
17 IC 8-16-3.1



C
o
p
y

1 IC 8-22-3
 2 IC 14-27-6
 3 IC 14-33-21
 4 IC 16-22-5
 5 IC 16-22-8
 6 ~~IC 36-8-14~~
 7 IC 36-9-4
 8 IC 36-9-14
 9 IC 36-9-14.5
 10 ~~IC 36-9-15~~
 11 IC 36-9-15.5
 12 IC 36-9-16
 13 IC 36-9-17
 14 IC 36-9-26
 15 IC 36-9-27
 16 IC 36-10-3
 17 IC 36-10-4
 18 IC 36-10-7.5.

19 (b) If a proposal described in subsection (a) is not submitted to the
 20 department of local government finance before August 2 of a year, the
 21 political subdivision may not levy a tax for the cumulative fund or
 22 sinking fund in the ensuing year.

23 SECTION 3. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 9.8. (a) For
 25 purposes of determining the property tax levy limit imposed on a city,
 26 town, or county under section 3 of this chapter, the city, town, or
 27 county's ad valorem property tax levy for a particular calendar year
 28 does not include an amount equal to the lesser of:

29 (1) the amount of ad valorem property taxes that would be first
 30 due and payable to the city, town, or county during the ensuing
 31 calendar year if the taxing unit imposed the maximum permissible
 32 property tax rate per one hundred dollars (\$100) of assessed
 33 valuation that the civil taxing unit may impose for the particular
 34 calendar year under the authority of IC 36-9-14.5 (in the case of
 35 a county) or IC 36-9-15.5 (in the case of a city or town); or

36 (2) the excess, if any, of:

37 (A) the property taxes imposed by the city, town, or county
 38 under the authority of:

39 IC 3-11-6-9;
 40 IC 8-16-3;
 41 IC 8-16-3.1;
 42 IC 8-22-3-25;

c
 o
 p
 y



1 IC 14-27-6-48;
 2 IC 14-33-9-3;
 3 IC 16-22-8-41;
 4 IC 16-22-5-2 through IC 16-22-5-15;
 5 IC 16-23-1-40;
 6 ~~IC 36-8-14;~~
 7 IC 36-9-4-48;
 8 IC 36-9-14;
 9 IC 36-9-14.5;
 10 ~~IC 36-9-15;~~
 11 IC 36-9-15.5;
 12 IC 36-9-16;
 13 IC 36-9-16.5;
 14 IC 36-9-17;
 15 IC 36-9-26;
 16 IC 36-9-27-100;
 17 IC 36-10-3-21; or
 18 IC 36-10-4-36;
 19 that are first due and payable during the ensuing calendar year;
 20 over
 21 (B) the property taxes imposed by the city, town, or county
 22 under the authority of the citations listed in clause (A) that
 23 were first due and payable during calendar year 1984.
 24 (b) The maximum property tax rate levied under the statutes listed
 25 in subsection (a) must be adjusted each time a general reassessment of
 26 property takes effect.
 27 (c) The new maximum rate under a statute listed in subsection (a)
 28 is the tax rate determined under STEP SEVEN of the following
 29 formula:
 30 STEP ONE: Determine the maximum rate for the political
 31 subdivision levying a property tax under the statute for the year
 32 preceding the year in which the general reassessment takes effect.
 33 STEP TWO: Determine the actual percentage increase (rounded
 34 to the nearest one-hundredth percent (0.01%)) in the assessed
 35 value of the taxable property from the year preceding the year the
 36 general reassessment takes effect to the year that the general
 37 reassessment is effective.
 38 STEP THREE: Determine the three (3) calendar years that
 39 immediately precede the ensuing calendar year and in which a
 40 statewide general reassessment of real property does not first
 41 become effective.
 42 STEP FOUR: Compute separately, for each of the calendar years

C
 o
 p
 y



determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a).

SECTION 4. IC 6-1.1-18.5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the

C
o
p
y



1 local government tax control board finds that the quotient
 2 determined under STEP SIX of the following formula is equal to
 3 or greater than one and three-hundredths (1.03):

4 STEP ONE: Determine the three (3) calendar years that most
 5 immediately precede the ensuing calendar year and in which
 6 a statewide general reassessment of real property does not first
 7 become effective.

8 STEP TWO: Compute separately, for each of the calendar
 9 years determined in STEP ONE, the quotient (rounded to the
 10 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 11 unit's total assessed value of all taxable property and the total
 12 assessed value of property tax deductions in the unit under
 13 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
 14 year, divided by the sum of the civil taxing unit's total assessed
 15 value of all taxable property and the total assessed value of
 16 property tax deductions in the unit under IC 6-1.1-12-41 or
 17 IC 6-1.1-12-42 in the calendar year immediately preceding the
 18 particular calendar year.

19 STEP THREE: Divide the sum of the three (3) quotients
 20 computed in STEP TWO by three (3).

21 STEP FOUR: Compute separately, for each of the calendar
 22 years determined in STEP ONE, the quotient (rounded to the
 23 nearest ten-thousandth (0.0001)) of the sum of the total
 24 assessed value of all taxable property in all counties and the
 25 total assessed value of property tax deductions in all counties
 26 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular
 27 calendar year, divided by the sum of the total assessed value
 28 of all taxable property in all counties and the total assessed
 29 value of property tax deductions in all counties under
 30 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year
 31 immediately preceding the particular calendar year.

32 STEP FIVE: Divide the sum of the three (3) quotients
 33 computed in STEP FOUR by three (3).

34 STEP SIX: Divide the STEP THREE amount by the STEP
 35 FIVE amount.

36 The civil taxing unit may increase its levy by a percentage not
 37 greater than the percentage by which the STEP THREE amount
 38 exceeds the percentage by which the civil taxing unit may
 39 increase its levy under section 3 of this chapter based on the
 40 assessed value growth quotient determined under section 2 of this
 41 chapter.

42 ~~(4) Permission to the civil taxing unit to increase its levy in excess~~

C
o
p
y



of the limitations established under section 3 of this chapter; if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

~~(6)~~ (4) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

C
o
p
y



(A) the township's ~~poor relief~~ **township assistance** ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing ~~poor relief~~ **township assistance** under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's ~~poor relief~~ **township assistance** ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

~~(7)~~ **(5)** Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

~~(8)~~ **(6)** Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight

C
o
p
y



thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the

**C
o
p
y**



department of correction; or
 (D) that operates a juvenile detention center that fails to meet
 standards equivalent to the standards described in clause (C)
 for the operation of juvenile detention centers.

Before recommending an increase, the local government tax
 control board shall consider all other revenues available to the
 county that could be applied for that purpose. An appeal for
 operating funds for a jail or a juvenile detention center shall be
 considered individually; if a jail and juvenile detention center are
 both opened in one (1) county. The maximum aggregate levy
 increases that the local government tax control board may
 recommend for a county equals the county's share of the costs of
 operating the jail or a juvenile detention center for the first full
 calendar year in which the jail or juvenile detention center is in
 operation.

(10) Permission for a township to increase its levy in excess of the
 limitations established under section 3 of this chapter; if the local
 government tax control board finds that the township needs the
 increase so that the property tax rate to pay the costs of furnishing
 fire protection for a township; or a portion of a township; enables
 the township to pay a fair and reasonable amount under a contract
 with the municipality that is furnishing the fire protection.
 However, for the first time an appeal is granted the resulting rate
 increase may not exceed fifty percent (50%) of the difference
 between the rate imposed for fire protection within the
 municipality that is providing the fire protection to the township
 and the township's rate. A township is required to appeal a second
 time for an increase under this subdivision if the township wants
 to further increase its rate. However, a township's rate may be
 increased to equal but may not exceed the rate that is used by the
 municipality. More than one (1) township served by the same
 municipality may use this appeal.

(11) Permission for a township to increase its levy in excess of the
 limitations established under section 3 of this chapter; if the local
 government tax control board finds that the township has been
 required, for the three (3) consecutive years preceding the year for
 which the appeal under this subdivision is to become effective, to
 borrow funds under IC 36-6-6-14 to furnish fire protection for the
 township or a part of the township. However, the maximum
 increase in a township's levy that may be allowed under this
 subdivision is the least of the amounts borrowed under
 IC 36-6-6-14 during the preceding three (3) calendar years. A

C
o
p
y



township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(7) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

SECTION 5. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

C
o
p
y



(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

~~(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus~~

~~(ii) (i)~~ the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

~~(iii) (ii)~~ IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment

C
o
p
y



year that succeeds the 1983 stated assessment year; minus
(ii) the total property taxes imposed in the county for the
1984 stated assessment year under the authority of IC 21-2-6
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
cumulative building fund whose property tax rate was not
initially established or reestablished for a stated assessment
year that succeeds the 1983 stated assessment year; minus
(G) the amount of property taxes imposed in the county for the
stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus
(ii) IC 6-1.1-19-10 for a racial balance fund; plus
(iii) IC 20-14-13 for a library capital projects fund; plus
(iv) IC 20-5-17.5-3 for an art association fund; plus
(v) IC 21-2-17 for a special education preschool fund; plus
(vi) IC 21-2-11.6 for a referendum tax levy fund; plus
(vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
a school corporation's maximum permissible general fund
levy for certain transfer tuition costs; plus
(viii) an appeal filed under IC 6-1.1-19-5.4 for an increase
in a school corporation's maximum permissible general fund
levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school
corporation that is attributable to the passage, after 1983, of a
referendum for an excessive tax levy under IC 6-1.1-19,
including any increases in these property taxes that are
attributable to the adjustment set forth in IC 6-1.1-19-1.5 or
any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE,
whichever is applicable; plus the part, if any, of the
township's ad valorem property tax levy for calendar year
1989 that represents increases in that levy that resulted from
an appeal described in IC 6-1.1-18.5-13(4) filed after
December 31, 1982; or

(ii) the amount of property taxes imposed in the township for
the stated assessment year under the authority of
IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory
established under IC 36-8-19-1, the amount of property taxes
levied by each participating unit under IC 36-8-19-8 and
IC 36-8-19-8.5 less the maximum levy limit for each of the

C
o
p
y



participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus ~~(K)~~ (I) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by

C
o
p
y



each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

- (1) held for sale in the ordinary course of a trade or business; or
- (2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

- (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.
- (2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.
- (3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 6. IC 6-1.1-41-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. This chapter applies to establishing and imposing a tax levy for cumulative funds under the following:

- (1) IC 3-11-6.
- (2) IC 8-10-5.
- (3) IC 8-16-3.

C
o
p
y



1 (4) IC 8-16-3.1.
 2 (5) IC 8-22-3.
 3 (6) IC 14-27-6.
 4 (7) IC 14-33-21.
 5 (8) IC 16-22-4.
 6 (9) IC 16-22-8.
 7 ~~(10) IC 36-8-14.~~
 8 ~~(11)~~ (10) IC 36-9-4.
 9 ~~(12)~~ (11) IC 36-9-14.
 10 ~~(13)~~ (12) IC 36-9-14.5.
 11 ~~(14) IC 36-9-15.~~
 12 ~~(15)~~ (13) IC 36-9-15.5.
 13 ~~(16)~~ (14) IC 36-9-16.
 14 ~~(17)~~ (15) IC 36-9-17.
 15 ~~(18)~~ (16) IC 36-9-17.5.
 16 ~~(19)~~ (17) IC 36-9-26.
 17 ~~(20)~~ (18) IC 36-9-27.
 18 ~~(21)~~ (19) IC 36-10-3.
 19 ~~(22)~~ (20) IC 36-10-4.
 20 ~~(23)~~ (21) IC 36-10-7.5.
 21 ~~(24)~~ (22) Any other statute that specifies that a property tax levy
 22 may be imposed under this chapter.
 23 SECTION 7. IC 6-1.1-41-6 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6. Not later than
 25 noon thirty (30) days after the publication of the notice required by
 26 section 3 of this chapter:
 27 (1) at least ten (10) taxpayers in the taxing district, if the fund is
 28 authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4,
 29 IC 14-27-6-48, IC 14-33-21-2, ~~IC 36-8-14-2~~, IC 36-9-4-48, or
 30 IC 36-10-4-36;
 31 (2) at least twenty (20) taxpayers in a county served by a hospital,
 32 if the fund is authorized under IC 16-22-4-1;
 33 (3) at least thirty (30) taxpayers in a tax district, if the fund is
 34 authorized under IC 36-10-3-21 or IC 36-10-7.5-19;
 35 (4) at least fifty (50) taxpayers in a municipality, if subdivision
 36 (1), (2), (3), or (5) does not apply; or
 37 (5) at least one hundred (100) taxpayers in the county, if the fund
 38 is authorized by IC 3-11-6;
 39 may file a petition with the county auditor stating their objections to an
 40 action described in section 2 of this chapter. Upon the filing of the
 41 petition, the county auditor shall immediately certify the petition to the
 42 department of local government finance.

c
 o
 p
 y



SECTION 8. IC 6-1.1-41-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 12. At least:

(1) ten (10) taxpayers in the tax district, if the fund is authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4, IC 14-27-6-48, IC 14-33-21-2, IC 16-22-4-3 (**repealed**), ~~IC 36-8-14-2~~, IC 36-9-4-48, or IC 36-10-4-36; or

(2) fifty (50) taxpayers in the area where a property tax for a fund is imposed, if subdivision (1) does not apply;

may file with the county auditor, by noon August 1 of a year, a petition for reduction or revision of the levy approved under this chapter. The petition must state the taxpayers' objections to the levy. The county auditor shall certify the petition to the department of local government finance, and the same procedure for notice and hearing must be followed that was required for the original levy. After a hearing on the petition, the department of local government finance may confirm, reduce, or rescind the levy. The department of local government finance's action is final and conclusive.

SECTION 9. IC 8-1.5-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. (a) This subsection applies to a municipality that is not subject to IC 8-1-2-103(c) or has not adopted an ordinance to become subject to IC 8-1-2-103(d). The reasonable cost and value of any service rendered to the municipality by the waterworks by furnishing water for public purposes or by maintaining hydrants and other facilities for fire protection shall be:

(1) charged against the municipality; and

(2) paid for in monthly installments as the service accrues out of the current revenues of the municipality, collected or in process of collection, and the **tax levy of rates or charges imposed under IC 36-8.5** by the municipality **made by it** to raise money to meet its necessary current expenses.

(b) This subsection applies to a municipality that is subject to IC 8-1-2-103(c), that has adopted an ordinance to become subject to IC 8-1-2-103(d), or that has adopted a plan described in IC 8-1-2-103(d) as prescribed in IC 8-1-2-103(e). The reasonable cost and value of any service rendered to the municipality by the waterworks by furnishing water for public purposes shall be:

(1) charged against the municipality; and

(2) paid for in monthly installments as the service accrues out of the current revenues of the municipality, collected or in process of collection, and the tax levy of the municipality made by it to raise money to meet its necessary current expenses.

C
o
p
y



Except as provided in subsection (d), the cost and value of maintaining hydrants and other facilities for fire protection shall be excluded from the charges against the municipality and shall be recovered from the other customers of the waterworks beginning on January 1, 1994, in a municipality subject to IC 8-1-2-103(c) and beginning on a date provided in the ordinance for a municipality that adopts an ordinance under IC 8-1-2-103(d). The change in the recovery of current revenue authorized by this section shall be reflected in a schedule of new rates to be filed with the commission at least thirty (30) days before the time the schedule of new rates is to take effect.

(c) The compensation for the service provided to the municipality shall, in the manner prescribed by this chapter, be paid into the separate and special fund created by setting aside the income and revenues of the waterworks and is subject to apportionment to the operating, maintenance, depreciation, and bond and interest redemption accounts.

(d) This subsection applies to a city having a population of more than forty-six thousand five hundred (46,500) but less than fifty thousand (50,000). The cost and value of maintaining hydrants and other facilities for fire protection may be recovered from customers of the waterworks residing:

(1) in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000); and

(2) in a township having a population of more than seven thousand five hundred (7,500) but less than nine thousand (9,000) located in a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000);

beginning on a date determined by the city. The city shall file a new schedule of rates with the commission as set forth in subsection (b), but is not subject to commission approval of the rates.

SECTION 10. IC 16-31-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1. The governing body of a city, town, township, or county by the governing body's action or in any combination may do the following:

(1) Establish, operate, and maintain emergency medical services.

(2) ~~Levy~~ **Impose** taxes under and limited by IC 6-3.5 and expend appropriated funds of the political subdivision to pay the costs and expenses of establishing, operating, maintaining, or contracting for emergency medical services.

(3) Except as provided in section 2 of this chapter, authorize, franchise, or contract for emergency medical services. However:

C
o
p
y



(A) a county may not provide, authorize, or contract for emergency medical services within the limits of any city without the consent of the city; and

(B) a city or town may not provide, authorize, franchise, or contract for emergency medical services outside the limits of the city or town without the approval of the governing body of the area to be served.

(4) Apply for, receive, and accept gifts, bequests, grants-in-aid, state, federal, and local aid, and other forms of financial assistance for the support of emergency medical services.

(5) Establish and provide for the collection of reasonable ~~fees~~ **rates or charges under IC 36-8.5** for emergency ambulance services the governing body provides under this chapter.

(6) Pay the fees or dues for individual or group membership in any regularly organized volunteer emergency medical services association on their own behalf or on behalf of the emergency medical services personnel serving that unit of government.

SECTION 11. IC 36-1-2-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 13.5. "Public safety services" means an expenditure or activity to which IC 36-8.5 applies.**

SECTION 12. IC 36-6-6-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. (a) A special meeting may be held by the legislative body if the executive, the chairman of the legislative body, or a majority of the members of the legislative body issue a written notice of the meeting to each member of the legislative body. The notice must state the time, place, and purpose of the meeting.

(b) At the special meeting, if two (2) or more members give their consent, the legislative body may determine whether there is an emergency requiring the expenditure of money not included in the township's budget estimates and levy. Subject to section 14.5 of this chapter, if the legislative body finds that such an emergency exists, it may issue a special order, entered and signed on the record, authorizing the executive to borrow a specified amount of money sufficient to meet the emergency. Notwithstanding IC 36-8-13-4(a), the legislative body may authorize the executive to borrow a specified sum from a township fund other than the township firefighting fund if the legislative body finds that the emergency requiring the expenditure of money is related to paying the operating expenses of a township fire department or a volunteer fire department. At its next annual session, the legislative

C
o
p
y



body shall cover the debt created by ~~making a levy~~ **allocating rates or charges imposed under IC 36-8-5** to the credit of the fund for which the amount was borrowed under this subsection.

SECTION 13. IC 36-8-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the municipality is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1925 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 4(a) of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) The local board may provide in its annual budget and pay all necessary expenses of operating the 1925 fund, including the payment of all costs of litigation and ~~attorney~~ **attorney's** fees arising in connection with the fund, as well as the payment of benefits and pensions. Notwithstanding any other law, neither the municipal legislative body, the county board of tax adjustment, nor the department of local government finance may reduce an item of expenditure.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

- (1) the name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled;
- (2) the name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive; and
- (3) the name and age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

C
o
p
y



(d) The total receipts shall be deducted from the total expenditures stated in the itemized estimate and the amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the municipality in the same manner as other expenses of the municipality are paid. ~~A tax levy shall be made~~ **Rates or charges collected under IC 36-8.5 must be** annually allocated for this purpose, as provided in subsection (e). The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other municipal offices and departments are prepared and filed.

(e) The municipal legislative body shall ~~levy an annual tax in the amount and at the rate~~ **adopt rates or charges under IC 36-8.5** that are necessary to produce the revenue to pay that part of the police pensions that the municipality is obligated to pay. ~~All money derived from the levy is for the exclusive use of the police pensions and benefits.~~ The amounts in the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. ~~The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, neither the county board of tax adjustment nor the department of local government finance may reduce the levy.~~

SECTION 14. IC 36-8-7.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 10. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the police special service district is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1953 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the estimated number of beneficiaries from the 1953 fund

C
o
p
y



during the ensuing fiscal year in each of the various classifications of beneficiaries as prescribed in this chapter, and the names and amount of benefits being paid to those actively on the list of beneficiaries at that time;

(2) the name, age, and length of service of each member of the police department who is eligible to and expects to retire during the ensuing fiscal year, and the monthly and yearly amounts of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent of a member of the police department who is then receiving benefits, the date on which the dependent commenced drawing benefits, and the date on which the dependent will cease to be a dependent by reason of attaining the age limit prescribed by this chapter, and the monthly and yearly amounts of the payments to which each of the dependents is entitled.

(c) After the amounts of receipts and disbursements shown in the itemized estimate are fixed and approved by the executive, fiscal officer, legislative body and other bodies, as provided by law for other municipal funds, the total receipts shall be deducted from the total expenditures stated in the itemized estimate, and the amount of the excess shall be paid by the police special service district in the same manner as other expenses of the district are paid. The legislative body shall ~~levy a tax and the money derived from the levy shall, when collected, be credited exclusively to the 1953 fund. The tax shall be levied in the amount and at the rate~~ **adopt rates or charges under IC 36-8.5 in the amount** that is necessary to produce sufficient revenue to equal the deficit. ~~Notwithstanding any other law, neither the county board of tax adjustment nor the department of local government finance may reduce the tax levy.~~

SECTION 15. IC 36-8-11-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 15. (a) The board:

(1) has the same powers and duties as a township executive with respect to fire protection functions, including those duties and powers prescribed by IC 36-8-13, although all cooperative and joint actions permitted by that chapter must be undertaken according to this chapter;

(2) has the same powers and duties as a township executive relative to contracting with volunteer firefighting companies, as prescribed by IC 36-8-12 and IC 36-8-13;

(3) shall appoint, fix the compensation, and prescribe the duties of a fiscal officer, secretarial staff, persons performing special and temporary services or providing legal counsel, and other

C
o
p
y



1 personnel considered necessary for the proper functioning of the
 2 district; however, a person appointed as fiscal officer must be
 3 bonded by good and sufficient sureties in an amount ordered by
 4 the county legislative body to protect the district from financial
 5 loss;

6 (4) shall exercise general supervision of and make regulations for
 7 the administration of the district's affairs;

8 (5) shall prescribe uniform rules pertaining to investigations and
 9 hearings;

10 (6) shall supervise the fiscal affairs and responsibilities of the
 11 district;

12 (7) may delegate to employees of the district the authority to
 13 perform ministerial acts, except in cases in which final action of
 14 the board is necessary;

15 (8) shall keep accurate and complete records of all departmental
 16 proceedings, record and file all bonds and contracts, and assume
 17 responsibility for the custody and preservation of all papers and
 18 documents of the district;

19 (9) shall make an annual report to the executive and the fiscal
 20 body of the county that at least lists the financial transactions of
 21 the district and a statement of the progress in accomplishing the
 22 purposes for which the district has been established;

23 (10) shall adopt a seal and certify all official acts;

24 (11) may sue and be sued collectively by its legal name ("Board
 25 of Fire Trustees, _____ Fire Protection District"), with
 26 service of process made on the chairman of the board, but costs
 27 may not be taxed against the members individually in an action;

28 (12) may invoke any legal, equitable, or special remedy for the
 29 enforcement of this chapter or of proper action of the board taken
 30 in a court;

31 (13) shall prepare and submit to the fiscal body of the county an
 32 annual budget for operation and maintenance expenses and for the
 33 retirement of obligations of the district, subject to review and
 34 approval by the fiscal body;

35 (14) may, if advisable, establish one (1) or more advisory
 36 committees;

37 (15) may enter into agreements with and accept money from a
 38 federal or state agency and enter into agreements with a
 39 municipality located within or outside the district, whether or not
 40 the municipality is a part of the district, for a purpose compatible
 41 with the purposes for which the district exists and with the
 42 interests of the municipality;

C
o
p
y



(16) may accept gifts of money or other property to be used for the purposes for which the district is established;

(17) may ~~levy taxes at a uniform rate on the real and personal~~ **adopt rates or charges under IC 36-8.5 and impose the rates or charges on the owners of** property within the district;

(18) may issue bonds and tax anticipation warrants;

(19) may incur other debts and liabilities;

(20) may purchase or rent property;

(21) may sell services or property that are produced incident to the operations of the district making a fair and reasonable charge for it;

(22) may make contracts or otherwise enter into agreements with public or private persons and federal or state agencies for construction, maintenance, or operations of or in part of the district;

(23) may receive and disburse money; and

(24) may impose a false alarm fee or service charge under IC 36-8-13-4.

(b) Powers granted by this chapter may be used only to accomplish the purpose or purposes as stated in the ordinance or resolution establishing the district. However, an act of the board necessary and proper to accomplish the purposes for which the district is established is not invalid because it incidentally accomplishes a purpose other than one for which the district is established.

SECTION 16. IC 36-8-11-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 19. The department of local government finance ~~when approving a rate and levy fixed by the board,~~ shall verify that a duplication of ~~tax levies~~ **rates or charges imposed under IC 36-8.5** does not exist between a fire protection district and a municipality or township within the boundaries of the district, so that taxpayers do not bear two (2) ~~levies~~ **rates or charges** for the same service, except as provided by section 20 of this chapter.

SECTION 17. IC 36-8-11-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 20. A unit that incurred indebtedness for fire protection services before the establishment of a fire protection district under this chapter shall continue to repay that indebtedness ~~by levies with rates or charges~~ **imposed under IC 36-8.5** within the boundaries of the unit until the indebtedness is paid in full.

SECTION 18. IC 36-8-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) Each

C
o
p
y



township shall annually establish a township firefighting fund which is to be the exclusive fund used by the township for the payment of costs attributable to providing fire protection or emergency services under the methods prescribed in section 3 of this chapter and for no other purposes. The money in the fund may be paid out by the township executive with the consent of the township legislative body.

(b) Each township may ~~levy, for each year, a tax~~ **annually impose rates or charges under IC 36-8.5** for the township firefighting fund. Other than a township providing fire protection or emergency services or both to municipalities in the township under section 3(b) or 3(c) of this chapter, the ~~tax levy is on all taxable real and personal township's~~ **rates or charges are imposed on the owners of** property in the township outside the corporate boundaries of municipalities. ~~Subject to the levy limitations contained in IC 6-1.1-18.5, The township levy is to be~~ **rates or charges must be imposed** in an amount sufficient to pay all costs attributable to fire protection and emergency services that are not paid from other revenues available to the fund. ~~The tax rate and levy shall be established in accordance with the procedures set forth in IC 6-1.1-17.~~

(c) In addition to the ~~tax levy~~ **rates or charges imposed under IC 36-8.5** and service charges received under IC 36-8-12-13 and IC 36-8-12-16, the executive may accept donations to the township for the purpose of firefighting and other emergency services and shall place them in the fund, keeping an accurate record of the sums received. A person may also donate partial payment of any purchase of firefighting or other emergency services equipment made by the township.

(d) If a fire department serving a township dispatches fire apparatus or personnel to a building or premises in the township in response to:

(1) an alarm caused by improper installation or improper maintenance; or

(2) a drill or test, if the fire department is not previously notified that the alarm is a drill or test;

the township may impose a fee or service charge upon the owner of the property. However, if the owner of property that constitutes the owner's residence establishes that the alarm is under a maintenance contract with an alarm company and that the alarm company has been notified of the improper installation or maintenance of the alarm, the alarm company is liable for the payment of the fee or service charge.

(e) The amount of a fee or service charge imposed under subsection (d) shall be determined by the township legislative body. All money received by the township from the fee or service charge must be

C
o
p
y



deposited in the township's firefighting fund.

SECTION 19. IC 36-8-13-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4.5. (a) This section applies to a township that provides fire protection or emergency services or both to a municipality in the township under section 3(b) or 3(c) of this chapter.

(b) With the consent of the township legislative body, the township executive shall pay the expenses for fire protection and emergency services in the township, both inside and outside the corporate boundaries of participating municipalities, from any combination of the following township funds, regardless of when the funds were established:

(1) The township firefighting fund under section 4 of this chapter.

(2) The cumulative building and equipment fund under IC 36-8-14.

(3) The debt fund under sections 6 and 6.5 of this chapter.

(c) ~~Subject to the levy limitations contained in IC 6-1.1-18.5, the tax rate and levy~~ **The township's rates or charges imposed under IC 36-8.5** for the township firefighting fund, the cumulative building and equipment fund, or the debt fund ~~is to~~ **must** be in an amount sufficient to pay all costs attributable to fire protection or emergency services that are provided to the township and the participating municipalities that are not paid from other available revenues. ~~The tax rate and levy for each fund shall be established in accordance with the procedures set forth in IC 6-1.1-17 and apply both inside and outside the corporate boundaries of participating municipalities.~~

(d) The township executive may accept donations for the purpose of firefighting and emergency services. The township executive shall place donations in the township firefighting fund. A person may donate partial payment of a purchase of firefighting or emergency services equipment made by the township.

SECTION 20. IC 36-8-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. (a) As used in this section, "emergency medical services" has the meaning set forth in IC 16-18-2-110.

(b) As used in this section, "volunteer fire department" has the meaning set forth in IC 36-8-12-2.

(c) The legislative body of a unit or the board of fire trustees of a fire protection district may provide a cumulative building and equipment fund ~~under IC 6-1.1-41~~ for the following purposes:

(1) The:

(A) purchase, construction, renovation, or addition to

C
o
p
y



- 1 buildings; or
 2 (B) purchase of land;
 3 used by the fire department or a volunteer fire department serving
 4 the unit.
 5 (2) The purchase of firefighting equipment for use of the fire
 6 department or a volunteer fire department serving the unit,
 7 including making the required payments under a lease rental with
 8 option to purchase agreement made to acquire the equipment.
 9 (3) In a municipality, the purchase of police radio equipment.
 10 (4) The:
 11 (A) purchase, construction, renovation, or addition to a
 12 building;
 13 (B) purchase of land; or
 14 (C) purchase of equipment;
 15 for use of a provider of emergency medical services under
 16 IC 16-31-5 to the unit establishing the fund.
 17 (d) ~~In addition to the requirements of IC 6-1.1-41,~~ Before a
 18 cumulative fund may be established by a township fire protection
 19 district, the county legislative body which appoints the trustees of the
 20 fire protection district must approve the establishment of the fund.
 21 SECTION 21. IC 36-8-14-4 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) To provide
 23 for the cumulative building and equipment fund established under this
 24 chapter, the legislative body may ~~levy a tax~~ **impose rates or charges**
 25 **under IC 36-8.5 on all taxable the owners of** property within the
 26 **taxing district. in compliance with IC 6-1.1-41. The tax rate may not**
 27 **exceed three and thirty-three hundredths cents (\$0.0333) on each one**
 28 **hundred dollars (\$100) of assessed valuation of property in the taxing**
 29 **district.**
 30 (b) ~~As the tax is~~ **rates or charges are** collected, ~~it the rates or~~
 31 **charges** shall be deposited in a qualified public depository or
 32 depositories and held in a special fund to be known as the "building or
 33 remodeling, firefighting, and police radio equipment fund" in the case
 34 of a municipality or as the "building or remodeling and fire equipment
 35 fund" in the case of a township or fire protection district.
 36 SECTION 22. IC 36-8-19-8 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. (a) Upon the
 38 adoption of identical ordinances under section 6 of this chapter, the
 39 designated provider unit must establish a fire protection territory fund
 40 from which all expenses of operating and maintaining the fire
 41 protection services within the territory, including repairs, fees, salaries,
 42 depreciation on all depreciable assets, rents, supplies, contingencies,

C
o
p
y



and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time.

(b) The fund consists of the following:

(1) ~~All~~ Receipts from the **tax rates or charges** imposed under ~~this section~~ **IC 36-8.5**.

(2) Any money transferred to the fund by the provider unit as authorized under subsection (d).

(3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. After estimating expenses and receipts of money, the provider unit shall establish the ~~tax levy~~ **amount of rates or charges imposed under IC 36-8.5** that are required to fund the estimated budget. The amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount ~~levied~~ **of rates or charges collected under IC 36-8.5** in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

(1) the ~~levy~~ **rates or charges imposed** in the following year shall be increased by the amount required to be transferred; and

(2) the provider unit is entitled to transfer the amount described in subdivision (1) from the fund as reimbursement to the provider unit.

(e) If the amount ~~levied~~ **of rates or charges collected under IC 36-8.5** in a particular year exceeds the amount necessary to cover the costs incurred in providing fire protection services within the territory, the ~~levy~~ **rates or charges imposed** in the following year shall be reduced by the amount of surplus money that is not transferred to the equipment replacement fund established under section 8.5 of this chapter. The amount that may be transferred to the equipment replacement fund may not exceed five percent (5%) of the ~~levy~~ **rates or charges imposed** for that fund for that year. All participating units

C
o
p
y



must agree to the amount to be transferred by adoption of identical ordinances specifying the amount.

(f) The tax under this section is not subject to the tax levy limitations imposed on civil taxing units under IC 6-1.1-18.5 for any unit that is a participating unit in a fire protection territory that was established before August 1, 2001.

(g) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. For purposes of calculating a participating unit's maximum permissible ad valorem property tax levy for the three (3) calendar years in which the participating unit levies a tax to support the territory; the unit's maximum permissible ad valorem property tax levy for the preceding calendar year under IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE is increased each year by an amount equal to the difference between the:

(1) amount the unit will have to levy for the ensuing calendar year in order to fund the unit's share of the fire protection territory budget for the operating costs as provided in the ordinance making the unit a participating unit in the fire protection territory; and

(2) unit's levy for fire protection services for the calendar year that immediately precedes the ensuing calendar year in which the participating unit levies a tax to support the territory.

SECTION 23. IC 36-8-19-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of all participating units must adopt identical ordinances after January 1 but before April 1 authorizing the provider unit to establish the fund. The ordinance must include at least the following:

(1) The name of each participating unit and the provider unit.

(2) An agreement to impose a **uniform tax rate upon all of the taxable rates or charges under IC 36-8.5 on the owners of property within the territory for the equipment replacement fund.**

(3) The contents of the agreement to establish the fund.

An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(b) If a fund is established, the participating units may agree to:

(1) impose a **property tax rates or charges under IC 36-8.5** to provide for the accumulation of money in the fund to purchase

C
o
p
y



1 fire protection equipment;

2 (2) incur debt to purchase fire protection equipment and impose
3 ~~a property tax rates or charges under IC 36-8.5~~ to retire the
4 loan; or

5 (3) transfer an amount from the fire protection territory fund to
6 the fire equipment replacement fund not to exceed five percent
7 (5%) of the ~~levy rates or charges imposed~~ for the fire protection
8 territory fund for that year;

9 or any combination of these options. ~~The property tax rate for the levy~~
10 ~~imposed under this section may not exceed three and thirty-three~~
11 ~~hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed~~
12 ~~value.~~ Before debt may be incurred, the fiscal bodies of all participating
13 units must adopt identical ordinances specifying the amount and
14 purpose of the debt. In addition, the department of local government
15 finance must approve the incurrence of the debt using the same
16 standards as applied to the incurrence of debt by civil taxing units.

17 (c) Money in the fund may be used by the provider unit only for
18 those purposes set forth in the agreement among the participating units
19 that permits the establishment of the fund.

20 SECTION 24. IC 36-8-19-9 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 9. (a) The
22 department of local government finance ~~when approving a rate and~~
23 ~~levy fixed by the provider unit~~, shall verify that a duplication of ~~tax~~
24 ~~levies rates or charges imposed under IC 36-8.5~~ does not exist
25 within participating units, so that ~~taxpayers property owners~~ do not
26 bear two (2) ~~levies rates or charges~~ for the same service, except as
27 provided by subsection (b) or (c).

28 (b) A unit that incurred indebtedness for fire protection services
29 before becoming a participating unit under this chapter shall continue
30 to repay that indebtedness by ~~levies rates or charges imposed under~~
31 ~~IC 36-8.5~~ within the boundaries of the unit until the indebtedness is
32 paid in full.

33 (c) A unit that agreed to the borrowing of money to purchase fire
34 protection equipment while a participating unit under this chapter shall
35 continue to repay the unit's share of that indebtedness by imposing ~~a~~
36 ~~property tax rates or charges under IC 36-8.5~~ within the boundaries
37 of the unit until the indebtedness is paid in full. The department of
38 local government finance shall determine the amount of the
39 indebtedness that represents the unit's fair share, taking into account
40 the equipment purchased, the useful life of the equipment, the
41 depreciated value of the equipment, and the number of years the unit
42 benefited from the equipment.

C
o
p
y



SECTION 25. IC 36-8-19-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 13. (a) If a unit elects to withdraw from a fire protection territory established under this chapter, the unit must after January 1 but before April 1 adopt an ordinance providing for the withdrawal. An ordinance adopted under this section takes effect July 1 of the year that the ordinance is adopted.

(b) If an ordinance is adopted under subsection (a):

(1) the unit's maximum permissible ad valorem property tax levy with respect to fire protection services shall be initially increased by the amount of the particular unit's previous year levy under this chapter; and

(2) additional increases with respect to fire protection services levy amounts are subject to the tax levy limitations under IC 6-1.1-18.5, except for the part of the unit's levy that is necessary to retire the unit's share of any debt incurred while the unit was a participating unit.

SECTION 26. IC 36-8.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]:

ARTICLE 8.5. PUBLIC SAFETY USER FEES

Chapter 1. Application

Sec. 1. This article applies to all units and fire protection districts.

Sec. 2. This article applies to an expenditure to establish, maintain, operate, provide facilities or equipment for, contract for, finance, or repay a judgment or other obligation related to any of the following:

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107), except as part of a levy for a county hospital under IC 16-22 or a municipal hospital under IC 16-23.

(4) Emergency medical services (as defined in IC 16-18-2-110), except as part of a levy for a county hospital under IC 16-22 or a municipal hospital under IC 16-23.

(5) Emergency action (as defined in IC 13-11-2-65).

Sec. 3. The activities to which this article applies include the following:

(1) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

**C
o
p
y**



(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in section 2 of this chapter.

(2) Providing facilities, equipment, and personnel for the operation of the following:

(A) A county jail.

(B) A juvenile detention center.

Sec. 4. (a) This article does not apply to expenditures related to the following:

(1) A court.

(2) A probation department of a court.

(3) Confinement, supervision, community corrections services, or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that:

(i) is between the county prosecutor and the person or the person's custodian, guardian, or parent; and

(ii) provides for confinement, supervision, community correction services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(4) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(b) For purposes of this section, expenditures for the activities described in section 3(2) of this chapter are not considered to be related to the provision of correctional services for a particular person as described in subsection (a)(3).

Chapter 2. Elimination of Property Tax Levies; Repayment of Prior Debt

Sec. 1. A political subdivision may not impose an ad valorem property tax levy for public safety services.

Sec. 2. This article does not prohibit the consolidation of services to which this article applies and other services payable from a property tax levy. However, the governing body delivering the

C
o
p
y



consolidated services shall allocate the cost payable from property taxes based on the relative benefit of the consolidated services to public safety services and other purposes.

Sec. 3. Section 1 of this chapter does not release or extinguish a debt of a political subdivision that was incurred before January 1, 2006. However, to the extent permitted under the Constitution of the United States and the Constitution of the State of Indiana, a law entitling a holder of an obligation to enforce a right to repayment from property tax levies does not apply after December 31, 2005, to a holder of an obligation that was created before January 1, 2006, but was incurred to finance an activity to which this article applies.

Sec. 4. If an agreement with a political subdivision entered into before January 1, 2006, or a judgment entered against a political subdivision before January 1, 2006, requires the political subdivision to make payments after December 31, 2005, from property tax levies that are prohibited by section 1 of this chapter, the holders of the obligations are entitled to payment from all other sources of receipts that are available to the political subdivision after December 31, 2005, except receipts that by law or the terms of a grant are restricted to another use.

Chapter 3. Distributions in Lieu of Property Tax Replacement and Homestead Credits

Sec. 1. Rates and charges imposed under this article shall be treated as ad valorem property taxes for the purpose of computing distributions under the following:

- (1) IC 6-1.1-21.
- (2) IC 6-3.5.
- (3) IC 6-5.5.
- (4) IC 6-6-5.
- (5) IC 6-6-5.5.
- (6) Any other law that computes a distribution on the assessed value of the tangible property in a political subdivision or on the property tax levy imposed by the political subdivision.

Sec. 2. The department of local government finance shall provide the information for the department of state revenue and county auditors to make the distributions described in section 1 of this chapter for public safety services.

Sec. 3. Money received under section 1 of this chapter shall be used to reduce the rates or charges imposed under IC 36-8.5-4.

Chapter 4. Rates and Charges

Sec. 1. A political subdivision may impose rates or charges on

**C
o
p
y**



the owner of property in a political subdivision. If the political subdivision has entered into a contract to provide public safety services outside the political subdivision, the political subdivision may impose rates or charges on an owner of property served under the contract.

Sec. 2. The rates or charges for police and fire services may be determined based on the following:

- (1) A flat charge for each lot, parcel of property, or building.
- (2) The amount of police and fire services used.
- (3) The relative police or fire risk, as determined by insurance ratings and other information available to the political subdivision.
- (4) Whether the political subdivision is required to purchase or lease special facilities or equipment to deliver public safety services to the property.
- (5) A combination of these or other factors that the political subdivision determines is necessary to establish just and equitable rates or charges.

Sec. 3. The rates or charges for public safety services do not have to be uniform throughout the political subdivision or for all users. The political subdivision may exercise reasonable discretion in:

- (1) adopting different schedules of rates or charges; or
- (2) making classifications in schedules of rates or charges:
 - (A) based on variations in the costs of furnishing the public safety services, including capital expenditures required, to various classes of users or to various locations in the political subdivision; or
 - (B) where there are variations in the number of users in various locations in the political subdivision.

Sec. 4. If public safety services will not be provided until after a capital improvement is completed, a political subdivision may bill and collect rates or charges for the public safety services to be provided after the contract for construction of the capital improvement has been let and actual work commenced in an amount sufficient to meet the interest on the revenue bonds and other expenses payable before the completion of the capital improvement.

Sec. 5. Unless the political subdivision finds and directs otherwise, public safety services are considered to benefit every:

- (1) lot;
- (2) parcel of land; or

**C
O
P
Y**



(3) building;
in the political subdivision. The rates or charges shall be billed and collected accordingly.

Sec. 6. (a) The legislative body of a political subdivision shall, by ordinance, establish just and equitable rates or charges for the use of and the public safety services provided by the political subdivision. The rates or charges are payable by the owner of each lot, parcel of land, or building that:

(1) is in the political subdivision; or

(2) in any way uses or is served by the political subdivision.

(b) The legislative body may periodically change or readjust the rates or charges as provided in this article.

Sec. 7. (a) Just and equitable rates or charges are those that produce sufficient revenue to:

(1) pay all expenses incident to the delivery of public safety services;

(2) provide a sinking fund for the liquidation of bonds or other evidence of indebtedness and reserves against default in the payment of interest and principal of bonds; and

(3) provide adequate money to be used as working capital and money for making improvements, additions, extensions, and replacements.

(b) Rates or charges too low to meet the financial requirements described in subsection (a) are unlawful. The initial rates or charges established after notice and hearing under this article are prima facie just and equitable.

Sec. 8. The initial rates or charges may be established only after a public hearing at which all:

(1) the property owners to be served by the political subdivision; and

(2) others interested;

have an opportunity to be heard concerning the proposed rates or charges.

Sec. 9. After introduction of the ordinance initially fixing rates or charges but before the ordinance is finally adopted, notice of the hearing setting forth the proposed schedule of the rates or charges must be given by publication one (1) time each week for two (2) weeks in a newspaper of general circulation in the political subdivision. The last publication must be at least seven (7) days before the date fixed in the notice for the hearing. The hearing may be adjourned as necessary.

Sec. 10. (a) The ordinance establishing the initial rates or

**C
o
p
y**



charges, either as:

- (1) originally introduced; or
- (2) modified and amended;

shall be passed and put into effect after the hearing.

(b) A copy of the schedule of the rates and charges established must be:

- (1) kept on file in the principal office of the political subdivision; and
- (2) open to public inspection.

Sec. 11. (a) The rates or charges established for a class of users of property served shall be extended to cover any additional premises served after the rates or charges are established that are in the same class, without the necessity of hearing or notice.

(b) A change or readjustment of the rates or charges may be made in the same manner as the rates or charges were originally established.

Chapter 5. Liens for Rates and Charges

Sec. 1. The rates and charges made, assessed, or established under this article against a:

- (1) lot;
- (2) parcel of land; or
- (3) building;

in the political subdivision or served by the political subdivision is a lien against the lot, parcel of land, or building.

Sec. 2. Except as provided in sections 5 and 6 of this chapter, a lien attaches at the time of the recording of the list in the county recorder's office as provided in IC 36-2-11. The lien:

- (1) is superior to and takes precedence over all other liens except the lien for taxes; and
- (2) shall be enforced under this article.

Sec. 3. If rates or charges are not paid within the time fixed by the political subdivision, the rates or charges become delinquent and a penalty of ten percent (10%) of the amount of the rates or charges attaches to the rates or charges. The political subdivision may recover:

- (1) the amount due;
- (2) the penalty; and
- (3) reasonable attorney's fees;

in a civil action in the name of the political subdivision.

Sec. 4. The rates or charges, together with the penalty, are collectible in the manner provided by this article.

Sec. 5. (a) A rate or charge is not enforceable as a lien against a

C
O
P
Y



subsequent owner of property unless the lien for the rate or charge was recorded with the county recorder before the conveyance to the subsequent owner.

(b) If the property is conveyed before the lien can be filed, the officer of the political subdivision who is charged with the collection of the rate or charge shall notify the person who owned the property at the time the rate or charge became payable. The notice must inform the person that payment, including a penalty for delinquencies, is due not less than fifteen (15) days after the date of the notice. If payment is not received before one hundred eighty (180) days after the date of the notice have elapsed, the amount due may be expensed as a bad debt loss.

Sec. 6. (a) This section applies whenever the owner of the property has notified the political subdivision by certified mail with return receipt requested of the address to which the owner's notice is to be sent.

(b) A lien does not attach against a lot, parcel of land, or building occupied by someone other than the owner unless the officer of the political subdivision who is charged with the collection of rates or charges notifies the owner of the property after the rates or charges have been delinquent for at least sixty (60) days.

Sec. 7. (a) The political subdivision shall release:

- (1) liens filed with the county recorder after the recorded date of conveyance of the property; and
- (2) delinquent fees incurred by the seller;

upon receipt of a verified demand in writing from the purchaser.

(b) The demand must state the following:

- (1) That the delinquent fees were not incurred by the purchaser as a user, lessee, or previous owner.
- (2) That the purchaser has not been paid by the seller for the delinquent fees.

Chapter 6. Enforcement of Delinquencies

Sec. 1. This chapter applies only to rates, charges, or penalties that have been due and unpaid for at least ninety (90) days.

Sec. 2. The officer of the political subdivision who is charged with the collection of the rates or charges shall enforce payment of the rates or charges. The officer shall, not more than two (2) times in a year, prepare a list of the delinquent rates or charges, including the amount of the penalty, that are enforceable under this chapter. The list must include the following:

- (1) The name of each owner of each lot or parcel of real

**C
O
P
Y**



property on which the rates or charges have become delinquent.

(2) The description of the premises as shown by the records of the office of the county auditor.

(3) The amount of the rates or charges, together with the amount of the penalty.

Sec. 3. (a) The officer of the political subdivision shall record a copy of the list in the office of the county recorder.

(b) The county recorder shall charge a fee for recording the list in accordance with the fee schedule established in IC 36-2-7-10.

(c) After recording the list, the officer shall mail to each property owner on the list a notice stating that a lien against the owner's property has been recorded.

(d) This subsection applies only to a county that does not contain a consolidated city. A service charge of five dollars (\$5), which is in addition to the recording fee charged under this section and the release fee charged under section 6 of this chapter, shall be added to each delinquent rate or charge that is recorded.

Sec. 4. (a) This section applies only to a county containing a consolidated city.

(b) Using the lists prepared and recorded under sections 2 and 3 of this chapter, the officer of the political subdivision shall certify to the county auditor a list of the liens that remain unpaid according to the following schedule:

(1) Liens recorded on or after August 1 of the preceding year and before February 1 of the current year shall be certified before March 1 of each year for collection in May of the same year.

(2) Liens recorded on or after February 1 of the current year and before August 1 of the current year shall be certified before September 1 of each year for collection in November of the same year.

(c) The county and the officers and employees of the county are not liable for any material error in the information on the list.

Sec. 5. (a) This section applies only to a county that does not contain a consolidated city.

(b) Using the lists prepared and recorded under sections 2 and 3 of this chapter:

(1) after April 1 of the preceding year; and

(2) before April 1 of the current year;

the officer of the political subdivision shall before June 1 of each year certify to the county auditor a list of the liens that remain

C
o
p
y



unpaid for collection in the next November.

(c) The county and the officers and employees of the county are not liable for any material error in the information on the list.

Sec. 6. (a) The officer of the political subdivision shall release a recorded lien when the:

- (1) delinquent rates or charges;
- (2) penalties;
- (3) service charges; and
- (4) recording fees;

have been fully paid.

(b) The county recorder shall charge a fee for releasing the lien in accordance with IC 36-2-7-10.

Sec. 7. (a) This subsection applies to a county that does not contain a consolidated city. On receipt of the list under section 5 of this chapter, the county auditor shall add a fifteen dollar (\$15) certification fee for each lot or parcel of real property on which rates or charges are delinquent. The certification fee is in addition to all other fees and rates or charges. The county auditor shall immediately enter on the tax duplicate for the municipality the:

- (1) delinquent rates or charges;
- (2) penalties;
- (3) service charges;
- (4) recording fees; and
- (5) certification fees;

that are due not later than the due date of the next November installment of property taxes.

(b) This subsection applies to a county that contains a consolidated city. On receipt of the list under section 4 of this chapter, the county auditor shall enter on the tax duplicate the:

- (1) delinquent rates or charges;
- (2) penalties;
- (3) service charges; and
- (4) recording fees;

that are due not later than the due date of the next installment of property taxes.

(c) The county treasurer shall include any unpaid charges for the:

- (1) delinquent rate or charge;
- (2) penalty;
- (3) service charge;
- (4) recording fee; and
- (5) certification fee;

**C
O
P
Y**



for each owner of each lot or parcel of property at the time the next cycle of property tax installment is billed.

Sec. 8. (a) This section does not apply to a county that contains a consolidated city.

(b) After June 1 of each year, the officer of the political subdivision may not collect or accept:

- (1) delinquent rates or charges;
- (2) penalties;
- (3) service charges;
- (4) recording fees; or
- (5) certification fees;

from property owners whose property has been certified to the county auditor.

Sec. 9. If a:

- (1) delinquent rate or charge;
- (2) penalty;
- (3) service charge;
- (4) recording fee; or
- (5) certification fee;

is not paid, the county treasurer shall collect the unpaid money in the same way that delinquent property taxes are collected.

Sec. 10. (a) At the time of each semiannual tax settlement, the county treasurer shall certify to the county auditor all:

- (1) rates or charges;
- (2) fees; and
- (3) penalties;

that have been collected.

(b) The county auditor shall:

- (1) deduct the service charges and certification fees collected by the county treasurer; and
- (2) pay to the officer of the political subdivision the remaining rates or charges and penalties due the political subdivision.

(c) The county treasurer shall:

- (1) retain the service charges and certification fees that have been collected; and
- (2) deposit the rates or charges and fees in the county general fund.

Sec. 11. (a) This section applies to a:

- (1) rate or charge;
- (2) penalty; or
- (3) service charge;

that was not recorded before a recorded conveyance.

C
o
p
y



(b) The:

(1) rate or charge;

(2) penalty; or

(3) service charge;

shall be removed from the tax roll for a purchaser who, in the manner prescribed by IC 36-8.5-5-7, files a verified demand with the county auditor.

Chapter 7. Foreclosure of Liens

Sec. 1. A political subdivision may, as an additional or alternative remedy, foreclose a lien established by this article as a means of collection of rates or charges, including the penalty on the rates or charges.

Sec. 2. (a) In all actions brought to foreclose the liens, the political subdivision is entitled to recover the following:

(1) The amount of the rates or charges.

(2) The penalty on the rates or charges.

(3) Reasonable attorney's fees.

(b) The court shall order that the sale be made without relief from valuation or appraisal statutes.

Sec. 3. Except as otherwise provided by this article, in all actions to foreclose the liens:

(1) the laws concerning municipal public improvement assessments; and

(2) the rights, remedies, procedure, and relief granted the parties to the action;

apply.

Chapter 8. Exempt Persons

Sec. 1. A person that would have been exempted before 2006 from paying an ad valorem property tax for public safety services described in IC 36-8.5-1-2 is subject to a fee imposed under this article only to the extent that the fiscal body providing the services requires the person to pay rates or charges under this chapter in an ordinance adopted under section 2 of this chapter.

Sec. 2. The fiscal body of a unit or a fire protection district may adopt an ordinance to require a person described in section 1 of this chapter to pay the rates or charges imposed under this article. If the ordinance is adopted, the ordinance must uniformly apply to all exempt property. However, the ordinance may exempt property used for a governmental purpose or a religious purpose from the application of the rates or charges.

SECTION 27. IC 36-9-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. (a) A county

C
o
p
y



fiscal body may establish cumulative building funds ~~under IC 6-1.1-41~~ or sinking funds ~~in the same manner as cumulative funds are established under IC 6-1.1-41~~ for the:

(1) construction, repair, remodeling, enlarging, and equipment of:

(A) a county jail; or

(B) a juvenile detention center to be operated under IC 31-31-9; or

(2) in a county having a consolidated city, purchase, lease, or payment of all or part of the purchase price of motor vehicles for use of the sheriff's department.

(b) The county fiscal body may ~~levy taxes impose rates and charges under IC 36-8.5~~ to provide money for:

(1) cumulative building funds established under this chapter; ~~in compliance with IC 6-1.1-41~~; or

(2) sinking funds established under this chapter. ~~in the same manner a tax is levied for a cumulative fund under IC 6-1.1-41.~~

~~(c) IC 6-1.1-41 applies to a sinking fund under this chapter to the same extent as if the sinking fund was a cumulative fund.~~

SECTION 28. IC 36-9-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3. A unit may establish cumulative capital improvement funds to provide money for one (1) or more of the following purposes:

(1) To acquire land or rights-of-way to be used for public ways or sidewalks.

(2) To construct and maintain public ways or sidewalks.

(3) To acquire land or rights-of-way for the construction of sanitary or storm sewers, or both.

(4) To construct and maintain sanitary or storm sewers, or both.

(5) To acquire, by purchase or lease, or to pay all or part of the purchase price of a utility.

(6) To purchase or lease land, buildings, or rights-of-way for the use of any utility that is acquired or operated by the unit.

(7) To purchase or acquire land, with or without buildings, for park or recreation purposes.

~~(8) To purchase, lease, or pay all or part of the purchase price of motor vehicles for the use of the police or fire department, or both, including ambulances and firefighting vehicles with the necessary equipment, ladders, and hoses.~~

~~(9)~~ (8) To retire in whole or in part any general obligation bonds of the unit that were issued for the purpose of acquiring or constructing improvements or properties that would qualify for the use of cumulative capital improvement funds.

C
o
p
y



~~(+10)~~ (9) To purchase or lease equipment and other nonconsumable personal property needed by the unit for any public transportation use.

~~(+11)~~ (10) In a county or a consolidated city, to purchase or lease equipment to be used to illuminate a public way or sidewalk.

~~(+12)~~ (11) The fund may be used for any of the following purposes:

(A) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following:

(i) Computer hardware.

(ii) Computer software.

(iii) Wiring and computer networks.

(iv) Communication access systems used to connect with computer networks or electronic gateways.

(B) To pay for the services of full-time or part-time computer maintenance employees.

(C) To conduct nonrecurring inservice technology training of unit employees.

SECTION 29. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2006]: IC 6-1.1-18.5-10.4; IC 6-1.1-18.5-10.5; IC 6-1.1-18.5-13.5; IC 6-1.1-18.5-19; IC 36-8-13-4.6; IC 36-8-13-4.7; IC 36-8-19-12.

SECTION 30. [EFFECTIVE JANUARY 1, 2006] **IC 36-8.5, as added by this act, applies only to budget years beginning after December 31, 2005.**

SECTION 31. [EFFECTIVE JULY 1, 2005] **(a) Before September 1, 2005, the state board of accounts shall verify the amount expended by each unit and fire protection district in 2004 to provide public safety services (as defined in IC 36-1-2-13.5, as added by this act).**

(b) The department of local government finance shall, for property taxes first due and payable in 2006 and thereafter, decrease the maximum permissible property tax levy of a unit or fire protection district by the amount of expenses verified under subsection (a).

C
o
p
y

